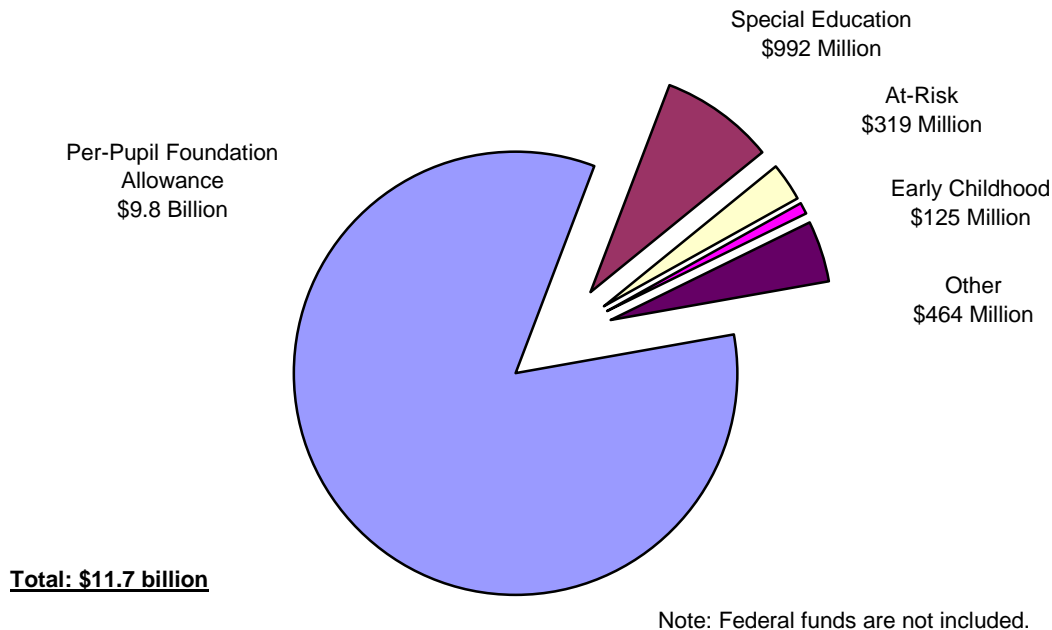


School Aid

Investing in a high-quality pre-school and K-12 system leads to an educated citizenry who are prepared to be successful in this highly competitive global economy. *The Governor's fiscal year 2007 school aid budget totals over \$13.1 billion, \$11.7 billion of state funds and \$1.4 billion of federal funds, an increase of nearly \$362.0 million from the current year. In addition, schools are estimated to receive \$3.8 billion from local property tax revenues as well.*

Over 80% of State Funding Supports the Per-Pupil Foundation Allowance

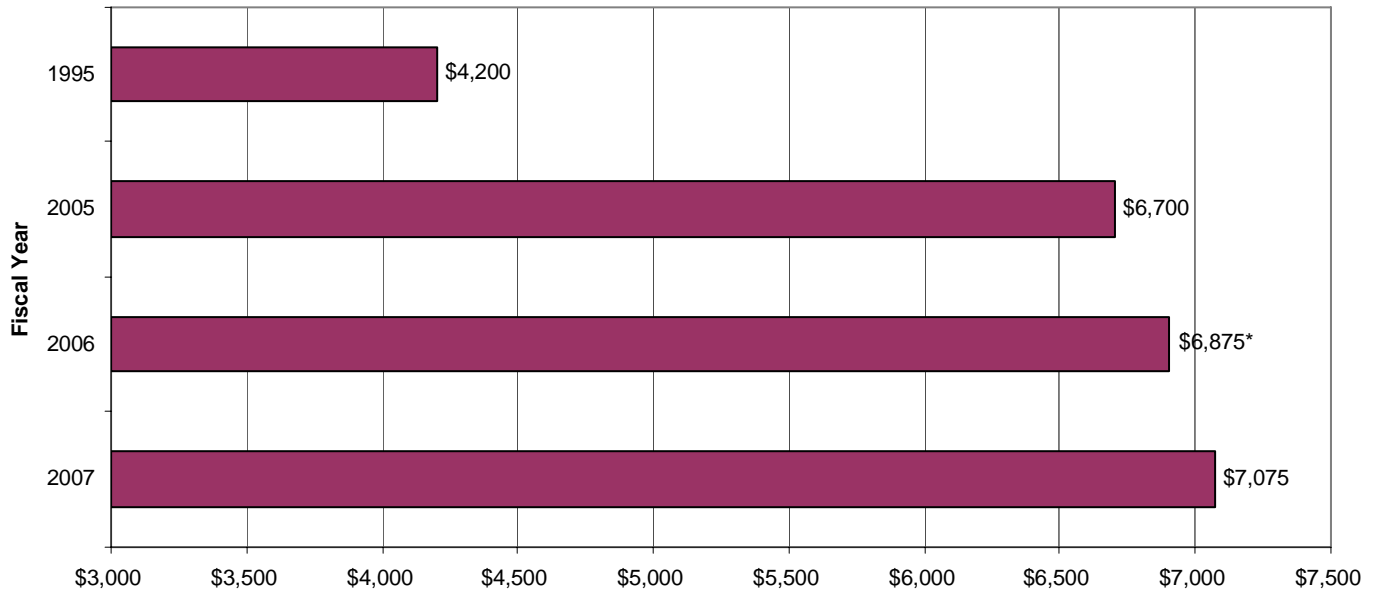


Budget Highlights – The fiscal year 2007 Executive Budget makes the following recommendations for the School Aid Budget:

Foundation Allowance and Basic Instructional Support

- Raises the minimum foundation allowance to \$7,075 per pupil, an increase of \$200 per pupil above the current year enacted level. Governor Granholm also recommends advancing \$25 of this per-pupil increase in a fiscal year 2006 supplemental. This proposed funding level will raise the minimum foundation allowance to its highest level in history, 65 percent greater than in 1995.
- Provides \$50.0 million to address the problems school districts are experiencing with declining enrollment by smoothing the funding formula and mitigating steep declines in school funding. Over 40 percent of public school districts will benefit from these payments.

**Per Pupil Foundation Allowance Has Increased Over 65% Since 1995
(Double the Rate of Inflation)**



* The Governor has proposed an advance of the FY2007 foundation allowance as a FY2006 supplemental of \$25 per pupil.

Preschool Programs

- Expands funding for all Great Start preschool programs to a total of \$125.1 million, an increase of \$36.5 million. Over 33,000 four year-olds will be served in the Great Start school readiness program (an increase of 8,000 students) as support for the program is increased to \$114.0 million.
- Increases funding for the Great Parents, Great Start intermediate school district programs for all children from birth to age five. A total of \$10.0 million will be used for the purposes of promoting early math and reading literacy, improving school readiness, and encouraging positive parenting skills.
- Supports the Great Start Collaborative System with \$1.0 million, a system designed to coordinate all local, state and federal preschool programs and resources to make them more accessible to parents.

Student Support Payments

- Dedicates over \$1.4 billion in funding for children in need of special education services: \$991.7 million in state funds and \$424.7 million in federal funds.
- Targets \$319.4 million in state funding to children at risk of not achieving academically. This program also maintains \$3.7 million for teen health centers and doubles funding for the hearing and vision screening programs to \$5.2 million. In addition, over \$428.9 million in federal funds are targeted to schools in need of supplemental support services to improve student achievement and meet federal education standards.

- Dedicates over \$354.0 million in state and federal funding for school meal programs. These programs provide financial assistance to schools for the cost of providing nutritionally balanced, low-cost or free meals to students each school day. Approximately 38 million breakfasts and 138 million lunches are served in schools each year.

Ensuring Academic Achievement

- Implements the Michigan After-School Program, which will provide extended education and enrichment opportunities during non-school hours to middle school students. This program, funded at \$15.0 million, is designed to focus on math, science and computer technology to help students meet local, state and federal standards and better prepare them for more rigorous high school curriculum expectations.
- Targets \$10.0 million for students in grades K to 3 for the purposes of improving math and reading literacy skills in early grades to better equip students with skills needed to meet state and federal academic requirements.
- Increases funding to the Michigan Virtual High School to a total of \$6.5 million for expanded access to web-based learning tools that are essential to preparing both teachers and students for more rigorous high school curriculum expectations. These tools include additional professional development opportunities for teachers, ACT test preparation materials for students, and career exploration and planning resources for districts.
- Provides \$1.0 million for the development of career and technical education curricula that aligns with the recommended Michigan Merit core curriculum.
- Increases funding by \$1.0 million for existing Math and Science Centers to prepare students for the more rigorous Michigan Merit core high school curriculum in the math and science fields.

Increased Opportunities for High School Students

- Dedicates \$5.0 million for the new Health/Science Middle College Initiative. The program is designed to create partnerships between the K-12 system, community colleges and hospitals to provide high school students with the opportunity to earn college credit and to receive on-the-job technical training in the health sciences field.
- Encourages hands-on math and science skills by providing competitive grants of \$2.0 million for teams of high school students that participate in *FIRST* (For Inspiration and Recognition of Science and Technology) Robotics Competitions.
- Increases funding to a total of \$25.0 million for Adult Education programs in order to further promote adult reading literacy and to expand access to high school completion options.

**Fiscal Year 2007 Governor's Recommendation
School Aid
(\$ in Thousands)**

	FY05 Appropriation	FY06 Current Law	FY07 Recommended
GF/GP	\$165,200.0	\$62,714.0	\$35,000.0
All Funds	\$12,467,062.3	\$12,757,151.3	\$13,119,014.7
	% Change - GF/GP	-62.0%	-44.2%
	% Change - All Funds	2.3%	2.8%

Activities	GF/GP	All Funds
GOAL: IMPROVE STUDENT ACHIEVEMENT		
Foundation Allowance Payments	\$16.0	\$9,791,000.0
Special Education Funding	\$0.0	\$1,416,633.0
No Child Left Behind and Other Federal Funding	\$0.0	\$644,624.4
School Food Programs	\$0.0	\$354,626.1
At Risk Children Services	\$0.0	\$319,350.0
Statutorily Required Payments/Reimbursements	\$14,950.0	\$167,561.0
Great Start Preschool Programs	\$12,700.0	\$125,100.0
Intermediate School District General Operations	\$0.0	\$80,455.5
Declining Enrollment Assistance Funding	\$0.0	\$50,000.0
Vocational Education	\$0.0	\$40,000.0
State Assessments	\$0.0	\$27,925.2
Adult Education	\$0.0	\$25,000.0
Michigan After-School Program	\$0.0	\$15,000.0
Court Placed and Juvenile Programs	\$0.0	\$14,253.1
Elementary Math and Reading Program	\$0.0	\$10,000.0
Center for Education Performance and Information	\$4,500.0	\$8,043.2
Math and Science Programs	\$84.0	\$10,636.1
Michigan Virtual High School	\$2,750.0	\$6,525.0
Health/Science Middle College Initiative	\$0.0	\$5,000.0
Bilingual Education	\$0.0	\$4,032.1
School Transportation Safety Programs	\$0.0	\$2,965.0
Advanced and Accelerated Programs	\$0.0	\$285.0
Total FY 2007 Recommendation	\$35,000.0	\$13,119,014.7